

RESOLUTION NO. 4-15

RESOLUTION OF THE GOVERNING BOARD OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, PURCHASE, AND FINANCING OF CERTAIN EQUIPMENT AND IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

WHEREAS, the Tehachapi-Cummings County Water District (the "District"), a county water district duly established and validly existing under the Constitution and the laws of the State of California, is authorized by the laws of the State of California to purchase and acquire personal property and perform certain improvements for the benefit of the District and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the District desires to acquire certain improvements to its water system (the "Project") that are necessary for the District to perform essential governmental functions; and

WHEREAS, in order to finance the cost of acquiring the Project, the District proposes to enter into that certain Installment Purchase Agreement (the "Purchase Agreement") with Umpqua Bank (the "Bank") the form of which has been presented to the Governing Board of the District (the "Governing Board") at this meeting; and

WHEREAS, the Governing Board finds that the authorization, approval, execution, and delivery of the Purchase Agreement and the other documents contemplated thereby or incidental thereto are desirable and in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Tehachapi-Cummings County Water District as follows:

Section 1. Recitals. The Governing Board finds and determines that all of the above recitals are true and correct and are incorporated herein.

Section 2. Approval of Documents. The Governing Board hereby approves the form, terms and provisions of the Purchase Agreement in substantially the form presented to this meeting and authorizes and directs the General Manager of the District (the "Designated Representative"), for and in the name of and on behalf of the District, to execute and deliver the Purchase Agreement and any related exhibits attached thereto in such forms with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them; provided that the total principal components of the payments under the Purchase Agreement not exceed \$7,000,000 and that the interest rate used to calculate the interest components of the rental payments not exceed 2.60% per annum. The execution of the foregoing by a Designated Representative shall constitute conclusive evidence of such

representative's and the Governing Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of agreements presented to this meeting.

Section 3. Designation as "Bank-Qualified." The District hereby designates the Purchase Agreement as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The District hereby represents that it reasonably anticipates that it and other entities that it controls will not issue tax-exempt obligations (including the Purchase Agreement) the aggregate principal amount of which exceeds \$10,000,000 during calendar year 2015.

Section 4. Other Actions Authorized. The Designated Representative and the other officers and employees of the District shall take all action necessary or reasonably required by the parties to the Purchase Agreement to carry out, give effect to, and consummate the transactions contemplated thereby (including the execution and delivery of any certificates and requests, as contemplated in the Purchase Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Purchase Agreement. All actions heretofore taken by the Designated Representative and other officers, employees, and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby approved, confirmed, and ratified.


Section 5. Appointment of Authorized District Representative. The Designated Representative is hereby designated to act as authorized representative of the District for purposes of the Purchase Agreement until such time as the Governing Board shall designate any other or different authorized representative for purposes of the Purchase Agreement.

Section 6. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 15th day of April, 2015

**TEHACHAPI-CUMMINGS COUNTY WATER
DISTRICT:**



David E. Worden, President

ATTEST:



Lori Bunn, Board Secretary